

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Burma - Union of

**Post:** Rangoon

## Myanmar Beans and Pulses Update 2018

### Report Categories:

Grain and Feed

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### Report Highlights:

Myanmar production of beans and pulses in MY 2018/19 is forecasted to decrease 14 percent due to a reduction of the growing area, which we anticipate will shift to other crops. MY 2017/18 and MY 2018/19 exports are estimated to decline in anticipation of continued import restrictions by India.

## General Information:

**Table 1. Pulses Production, Supply and Demand**

Beans and Pulses	2014/2015	2015/2016	2016/2017	2017/2018	2018/19	
Market Begin Year	Jan 15	Jan 16	Jan 17	Jan 18	Jan 19	
<b>Burma</b>						
Area Harvested	4400	4600	4650	4430	3800	(1000 HA)
Beginning Stocks	183	243	657	1053	853	(1000 MT)
Production	5060	5290	5348	4430	3800	(1000 MT)
MY Imports	0	0	0	0	0	(1000 MT)
TY Imports	0	0	0	0	0	(1000 MT)
TY Imp. from U.S.	0	0	0	0	0	(1000 MT)
Total Supply	5243	5533	6005	5483	4653	(1000 MT)
MY Exports	1540	1406	1462	1100	900	(1000 MT)
TY Exports	1540	1406	1462	1100	900	(1000 MT)
Feed and Residual	160	170	170	180	180	(1000 MT)
FSI Consumption	3300	3300	3320	3350	3350	(1000 MT)
Total Consumption	5000	4876	4952	4630	4430	(1000 MT)
Ending Stocks	243	657	1053	853	223	(1000 MT)
Total Distribution	5243	5533	6005	5483	4653	(1000 MT)
(1000 HA) ,(1000 MT)						
Yield	1.15	1.15	1.15	1.00	1.00	(MT/HA)

## General Background

Beans and pulses in Myanmar are normally grown immediately after the harvest of the main rice crop in the delta region (lower parts of Myanmar) and are grown as a monsoon crop in the central plain areas and Shan State (East part of country). About 70 percent of all pulses are grown during the winter season, with yields ranging between 1.0 -1.3 MT/hectare. Black Matpe (Black gram), Green gram and Toorwhole (Pigeon beans) accounted for 70-75 percent of total bean and pulse production, and are the main kinds of exported beans and pulses. About 80-90 percent of total Toorwhole production and 60-70 percent of total Black Matpe is exported to India and the domestic wholesale prices depend almost entirely on India's demand. Another exported bean, the green gram (Mung bean), has more extended markets such as China, Vietnam, Malaysia, Bangladesh, India, Indonesia and EU countries.

## Production

Myanmar's bean and pulse production in MY2016/17 increased in response to attractive domestic prices. However, Myanmar's pulse production is expected to decrease in MY 2017/18 as farmers shift to other crops such as dry season paddy, corn, soybean, green gram and sesame. This switch is due to Indian import restrictions, which hit the Myanmar market in 2018 and negatively affected Myanmar farmer incomes. Yields for beans and pulses per unit area are expected to decreased 13 percent in 2017/18 and

MY2018/19 because of less inputs being used by farmers in line with the lack of price incentive and anticipation of continued poor export demand.

### **Consumption**

Myanmar consumption of beans and pulses in MY 2017/18 and 2018/19 is estimated to grow 1 percent as a result of more use in feed mixes, and government initiatives to promote increased consumption of surplus beans and pulses.

### **Trade**

Myanmar's bean and pulse exports are composed of official (non-border) exports and unofficial exports along the borders, mainly to India, Thailand, Bangladesh and China. According to government sources, Black Matpe, Mung bean, and Toorwhole are the leading pulse exports, accounting for approximately 80-90 percent of total exports in MY2016/17.

There were huge changes in Myanmar and Indian beans and pulses markets in recent years due to unfavorable weather in India causing increased prices and decreased production in MY 2014/15 and MY2015/16. Because of the drought in India, Myanmar's beans and pulse exports in MY2015/16 and MY2016/17 increased in response to the attractive prices (See Table 3). After India's weather returned to normal and pulse production increased in MY 2016/17, the Indian government began restricting pulse imports. India published a notification restricting the import of pulses through a strict quota for Matpe, Green gram and Pigeon beans on August 2017, and said it would only allow imports through government to government contracts. This was a problem for Myanmar since it does not have a system in place for government trading of pulses. Also, the prices offered by the government of India were very low, designed to bring in pulses at a low price and sell them on the Indian market at a higher price, in line with official minimum support prices. This restriction affected both domestic and export prices for Myanmar beans and pulses, with Matpe prices prominently decreasing in 2017/18. Then in May 2018, India announced an import quota for Matpe and Green gram, valid until August 2018. Myanmar exporters were most likely able to ship some pulses under this quota, as the G to G requirement was loosened, and the limited duration of the quota caused a rush to fill orders.

### **Export Prospects**

Myanmar exported 0.62 million metric tons (MMT) of beans and pulses in the first 6 months of 2018/19 (Table 2) which is 35 percent down from the same period of 2017. Myanmar pulse exports in MY 2017/18 are estimated to decline 31 percent in response to continued Indian import restrictions, and to decrease in MY 2018/19 as farmers reduce production acreage.

**Table 2. Export of Bean and Pulses in 2015 and 2016**

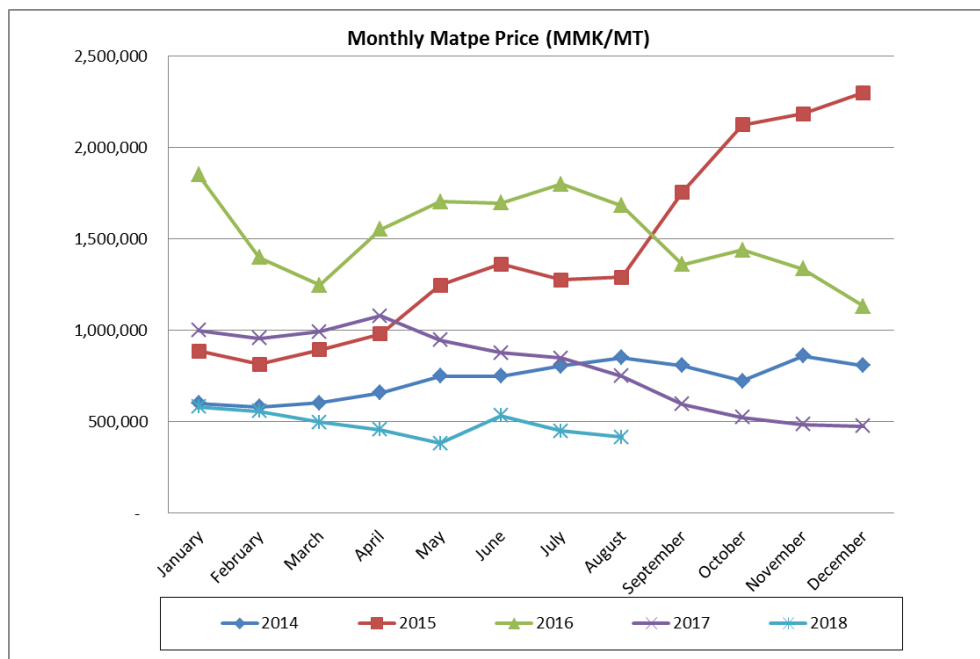
Month	2015			2016			2017			2018		
	Non-border	Border	Total	Non-border	Border	Total	Non-border	Border	Total	Non-border	Border	Total
January	81,183	12,247	93,430	52,158	13,638	65,796	75,998	20,752	96,750	57,964	12,086	70,050
February	98,344	22,439	120,783	88,541	24,965	113,506	89,595	38,593	128,188	46,298	28,221	74,519
March	370,779	67,383	438,162	160,251	42,731	202,982	144,668	41,658	186,326	66,771	58,012	124,783
April	131,609	20,493	152,102	90,816	21,972	112,788	113,208	23,298	136,506	66,796	30,515	97,311
May	197,287	23,290	220,577	161,860	37,140	199,000	177,366	43,936	221,302	65,953	44,095	110,048
June	134,363	22,141	156,504	178,100	43,907	222,007	136,130	51,942	188,072	112,266	27,203	139,469
July	64,526	24,207	88,733	59,614	40,299	99,913	102,432	40,299	142,731			-
August	71,553	23,441	94,994	35,615	37,645	73,260	96,888	15,872	112,760			-
September	29,936	7,126	37,062	16,818	37,040	53,858	52,383	11,332	63,715			-
October	34,319	4,273	38,592	63,932	26,752	90,684	45,727	7,590	53,317			-
November	18,543	4,221	22,764	60,903	20,416	81,319	62,511	10,279	72,790			-
December	5,639	71,553	77,192	70,888	20,013	90,901	51,134	9,164	60,298			-
<b>Total</b>	<b>1,238,081</b>	<b>302,814</b>	<b>1,540,895</b>	<b>1,039,496</b>	<b>366,518</b>	<b>1,406,014</b>	<b>1,148,040</b>	<b>314,715</b>	<b>1,462,755</b>	<b>416,048</b>	<b>200,132</b>	<b>616,180</b>

Source: Ministry of Commerce, Myanmar Custom Department

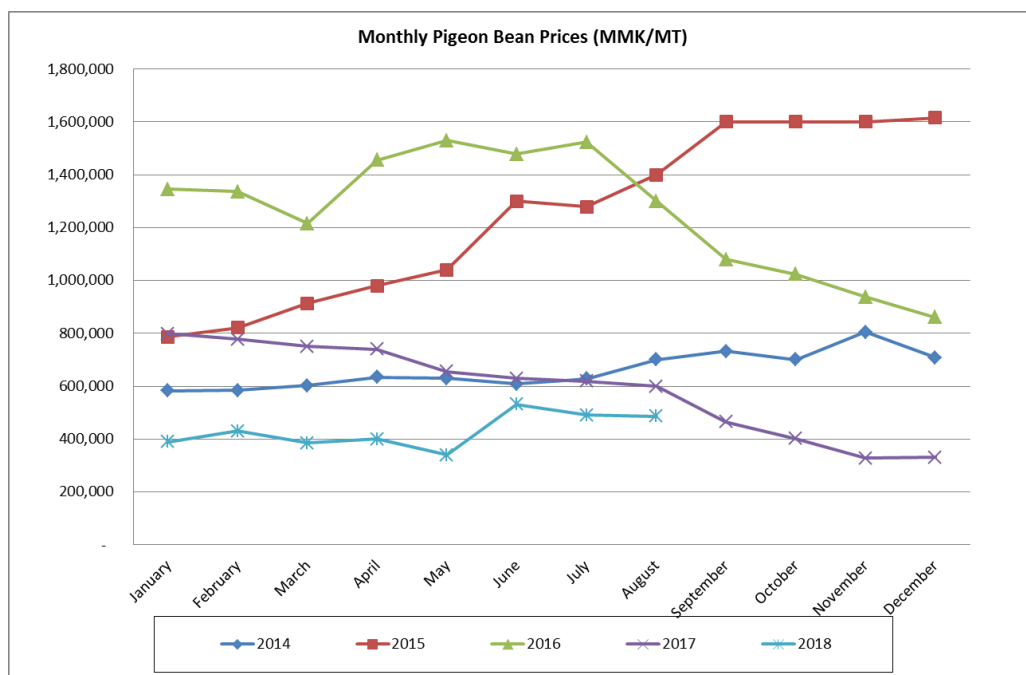
## Policy

In response to India's import restriction on beans and pulses, the Government of Myanmar suspended bean and pulse imports, starting from September 15, 2017. In addition to this import ban, the Myanmar government asked farmers to reduce the Black Matpe and Toorwhole (Pigeon bean) growing areas and to shift to other crops such as seed corn, soybeans, green gram, dry season rice, and sesame, starting from the 2018 dry season. Some farmers will switch crops but some have stated that they need assistance from the government to do this, and also want guarantees that there will be a market for whatever they grow instead of pulses. In response, the government is considering drafting an agricultural master plan to identify the ideal cropping patterns, based on crop supply, demand and exports.

## Monthly Prices for Matpe (MMK/MT)



## Monthly Prices for Pigeon beans (MMK/MT)



MMK: Myanmar Kyats

Currency Exchange Rate: 1 US\$ =1480MMk1480MMK